

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.1-361.26

BEFORE THE VIRGINIA GAS AND OIL BOARD

)
) VIRGINIA GAS
) AND OIL BOARD

) DOCKET NO.
) 08/11/18-2392

DRILLING UNIT SERVED BY WELL NUMBERED
V-536401 TO BE DRILLED IN THE LOCATION
DEPICTED ON EXHIBIT A HERETO,
Dayton C. Baker Heirs
113.48 Acre Tract
Coeburn QUADRANGLE,
Lipps MAGISTERIAL DISTRICT,
Wise COUNTY, VIRGINIA
(the "Subject Lands" are more particularly
described on Exhibit "A" attached hereto
and made a part hereof)

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on November 18, 2008, Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Abingdon, Virginia.
2. Appearances: James E. Kaiser appeared for the Applicant.
3. Jurisdiction and Notice: Pursuant to Va. Code § 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or

other legal entities) entitled by Va. Code § 45.1-361.19 to notice of this application; and (3) that the persons set forth in Exhibit B hereto have been identified by Applicant as owners of Gas interests underlying Subject Drilling Unit, including those who have not heretofore leased, sold or voluntarily agreed with the Applicant to pool their Gas interests in Subject Drilling Unit. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: **None.**
5. Dismissals: **None.**
6. Relief Requested: Applicant requests (1) an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for Well No. V-536401.
7. Relief Granted: The requested relief in this cause be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed Well No. V-536401, 2281.45 feet from proposed Well No. V-505369, at the location depicted on the Plat attached hereto.
8. Special Findings: The Board specifically and specially finds:

Applicant is Equitable Production Company a West Virginia Corporation. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;

Applicant Equitable Production Company is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;

Applicant claims ownership of Conventional Gas leases of 100% percent of Subject Drilling Unit and the right to explore for, develop and produce Gas from same, i.e., Well No. V-536401 as well as from reciprocal well, i.e., Well No. V-505369.

The proposed Well V-536401 is located on a surface, coal, oil and gas tract consisting of 113.48 acres known as Dayton C. Baker Heirs Tract, and the surface, coal, gas and oil owner has consented to the proposed location for Well V-536401 that is depicted on the Plat attached hereto as Exhibit A;

The Applicant testified it has the right to operate and develop the reciprocal Wells V-505369 and that the granting of the application filed herein will not impact the correlative rights of any person;

An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well V-536401 is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of 350 million cubic feet of Conventional Gas underlying Subject Drilling Unit, and to generally effect the purposes of the Virginia Gas and Oil Act;

Applicant proposes the drilling of Well No. V-536401 to a depth of 6103 feet on the Subject Drilling Unit at the location depicted in Exhibit A to produce all the Mississippian and Devonian age formations including, but not limited to, Base Lee Sand, Ravencliff, Maxon, Little Lime, Big Lime, Top Weir, Sunbury, Berea, Cleveland, Upper Huron, Lower Huron, and Olentangy, from surface to a total depth of 6103 feet (Subject Formations");

Applicant proposes to drill Well V-536401 a distance of 218.55 feet closer to Gas Well V-505369, than the 2500 feet mandated by statewide spacing;

8.9 Applicant proposes to complete and operate Well V-536401 for the purpose of producing Conventional Gas;

9 Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.

10. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

11. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

12. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 et seq. and Rule 2A of the Rules of the Virginia Supreme Court.

13. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 4th day of February, 2009 by a majority of the Virginia Gas and Oil Board.

Bradley Lambert
Bradley Lambert, Chairman

DONE AND EXECUTED this 4th day of February, 2009 by Order of this Board.

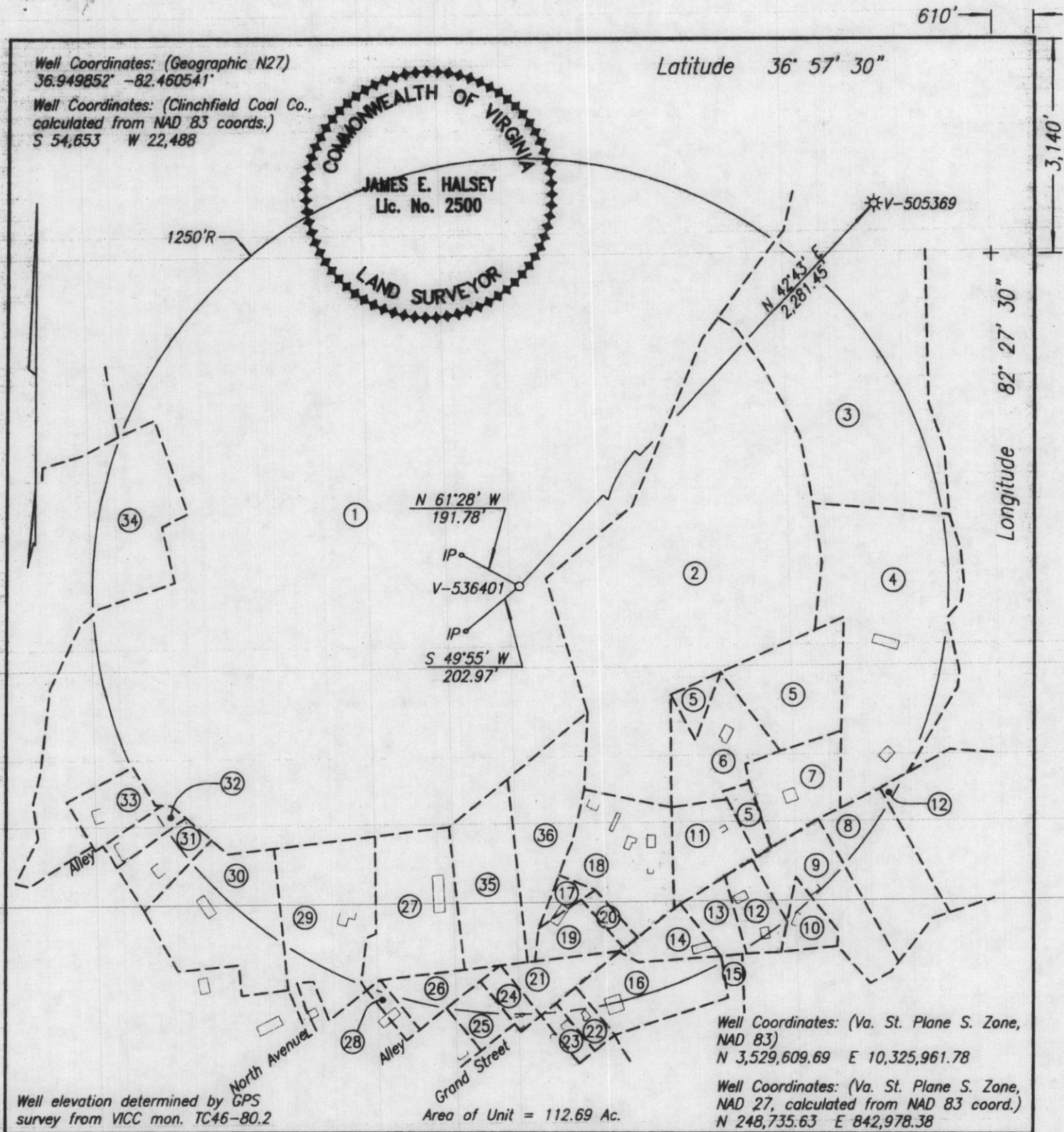
David E. Asbury, Jr.
David E. Asbury, Jr.
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 4th day of February, 2009
2009, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and David E. Asbury, Jr., being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were so authorized to do.

Diane J. Davis
Diane J. Davis, Notary 174394

My commission expires September 30, 2009



WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER V-536401
TRACT NO. Lease No. 905936L ELEVATION 2,236.95' QUADRANGLE Coeburn
COUNTY Wise DISTRICT Lipps SCALE 1" = 400' DATE 4-24-2008

This Plat is a new plat x; an updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

James E. Halsey
Licensed Professional Engineer or Licensed Land Surveyor

V-536401 PLAT
TRACT OWNERSHIP INFORMATION SCHEDULE
4/30/2008

- 1 . Lease No. 905936L
Dayton C. Baker Heirs - surface, coal, oil & gas
113.481 Acres
Gas 59.52 Ac. 52.82%
- 2 . Lease No. 906889
John W. Roberson
444.80 Acres
ACIN LLC. - coal
Charles M. & Sallie J. Holmes Heirs - oil & gas
16.37 Acres
Robert I. Bright - surface
Gas 13.77 Ac. 12.22%
- 3 . Lease No. 223311L / Tr. 3
Joe Douglas & Brenda M. Kilgore - surface, oil & gas
40.00 Acres
Gas 05.74 Ac. 5.09%
- 4 . Unleased
Jeffrey Lee & Barbara Harvey - surface, oil & gas
11.0 Acres
Gas 5.70 Ac. 5.06%
- 5 . Unleased
Robert I. Bright - surface, oil & gas
± 2.52 Acres
Gas 2.52 Ac. 2.24%
- 6 . Unleased
Ronald G. Arney - surface, oil & gas
1.267 & 0.613 Acres
Gas 1.58 Ac. 1.40%
- 7 . Unleased
Virginia H. & Gordon R. Bright - surface, oil & gas
1.34 Acres
Gas 1.39 Ac. 1.23%
- 8 . Unleased
Jeffrey L. & Barbara L. Harvey - surface, oil & gas
2.588 Acres
Gas 0.49 Ac. 0.43%
- 9 . Unleased
Jerry Wayne & Viola Harvey - surface, oil & gas
2.302 Acres
Gas 0.86 Ac. 0.76%

20 . Unleased

Morris L. & Debbie Mullins - surface, oil & gas

± 0.5 - Acres

Gas 0.22 Ac. 0.20%

21 . Unleased

Ruth Bond Clay Whitt - surface, oil & gas

± 1.0 - Acres

Gas 0.65 Ac. 0.58%

22 . Unleased

Gene Clement Gibson, et ux - surface, oil & gas

± 0.5 - Acres

Gas 0.10 Ac. 0.09%

23 . Unleased

Debra Fraley - surface, oil & gas (1/2 int.)

Seven A. Fraley - surface, oil & gas (1/2 int.)

± 0.5 - Acres

Gas 0.02 Ac. 0.02%

24 . Unleased

Billy Joe & Charlotte M. Gibson - surface, oil & gas

± 0.5 - Acres

Gas 0.26 Ac. 0.23%

25 . Unleased

Christopher J. & Nicole Adkins - surface, oil & gas

± 1.0 - Acres

Gas 0.18 Ac. 0.16%

26 . Unleased

Jerry Lou Brown - surface, oil & gas

0.5584 Acres

Gas 0.50 Ac. 0.44%

27 . Unleased

Jerry Lou Brown - surface, oil & gas

2.413 Acres

Gas 2.42 Ac. 2.15%

28 . Unleased

Franklin & Virgie Greear - surface, oil & gas

± 0.5 - Acres

Gas 0.03 Ac. 0.03%

29 . Unleased

Ann Lindsay Lawson - surface, oil & gas

2.644 - Acres

Gas 2.28 Ac. 2.02%

30 . Unleased

Randy Gene & Pamela B. Gilmer - surface, oil & gas

2.89 Acres

Gas 0.94 Ac. 0.83%

31 . Unleased

Randy Gene & Pamela B. Gilmer - surface, oil & gas

0.74 Acres

Gas 0.19 Ac. 0.17%

32 . Unleased

Scotty & Jamie Nickels - surface, oil & gas

± 0.5 Acres

Gas 0.09 Ac. 0.08%

33 . Unleased

Elmer W. & Patricia Sanders - surface, oil & gas

± 1.0 Acres

Gas 0.03 Ac. 0.03%

34 . Unleased

Greenwood Acres LLC - surface, oil & gas

9.35 Acres

Gas 2.32 Ac. 2.06%

35 . Unleased

Brenda S. McClallan - surface, oil & gas

2.16 Acres

Gas 2.04 Ac. 1.81%

36 . Unleased

Morris & Debbie Mullins - surface, oil & gas

2.05 Acres

Gas 2.04 Ac. 1.81%